GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA

UNSTARRED QUESTION NO:2983
ANSWERED ON:21.03.2002
COMMISSIONING OF IMPORTED TRANSFORMERS
M.V.V.S MURTHI;RAMSHETH THAKUR

Will the Minister of RAILWAYS be pleased to state:

(a) whether the Railway Board had procured 17 transformers from M/s China UnitedElectric Import and Export Corporation with the help of ADB loan;

(b) if so, whether all these transformers have been commissioned;

(c) if not, the reasons therefor ;

(d) whether some of these transformers have developed defects after their receipt at Kolkata Port;

(e) whether the Railway Board has failed to encash bank warranty inspite of defects developed in these transformers ;

(f) if so, the reasons for releasing performance guarantee bond to Chinese firm;

(g) whether the Government have investigated the whole episode; and

(h) if so, the action taken against the officials involved therein ?

Answer

MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND MINISTER OF STATE IN THE MINIST RAILWAYS (SHRI O.RAJAGOPAL)

(a) Yes, Sir

(b) 11 Transformers have been commissioned and the remaining 6 are in process of commissioning.

(c) The delay in commissioning has been due to defects and deficiencies detected in the transformers.

(d) The material was received at Kolkata inproperly packed condition. The defects were noticed at the erection sites while opening the packing for erection and commissioning of the transformers.

(e) to (g) Once the firm failed to attend to the defects and deficiencies in the transformers, action for encashment of the Warranty Bank Guarantee was initiated. Since the Warranty Bank Guarantee was current, the Performance Bank Guaranteewas not held back. Later, on firm`s request, the matter was referred to arbitration. The Arbitrators gave an Interim Award for extension of the Warranty Bank Guarantee. Since the firm failed to extend the Warranty Bank Guarantee, as required under the Interim Award, Railway Administration has moved a petition in Delhi High Court for its enforcement. The case is presently, subjudice.

(h) Does not arise.